

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



January 25, 1980

ALL-COUNTY INFORMATION NOTICE I- 13-80

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: Welfare Program Premises for 1980-81 Governor's Budget

REFERENCE:

The attachment, "Premises 1979-80 and 1980-81", represents the list of assumptions used to develop the Department's estimates of county welfare program expenditures for the 1980-81 Governor's Budget which was released on January 10, 1980.

Any questions regarding this list should be directed to Denis O'Sullivan, Chief, Estimates Bureau at 916/445-1862.

Sincerely,


CLAUDE FINN
Deputy Director
Administration Division

Attachment

cc: CWDA

Premises
1979-80 and 1980-81.

A. Central Delivery System

AB 8 requires the Department to implement in all counties by July 1, 1984, a centralized delivery system for AFDC (FG, U and BHI), Food Stamps, Medi-Cal eligibility, Aid for the Adoption of Children, Special Adult programs, and, to the extent feasible, Social Services and Child Support Enforcement programs.

We assume that there will be no impact on county administrative expenditures for 1979-80 and probably no impact in 1980-81 as well.

B. Cost-of-Living Adjustments for Administrative Costs

The following assumptions will apply to all county administrative costs under Item 288 of the Budget Act.

For 1979-80: The cost-of-living increase given by the counties was estimated to be 7.40 percent. The impact of merit salary adjustments and employee benefits is also included in addition to the 7.40 percent.

For 1980-81: The cost-of-living adjustment is assumed to be 9.00 percent. This is intended to cover increases to salaries, nonpersonal services, and employee benefits.

C. AFDC Maintenance Payments and Administrative Costs - Section 32.5 and Item 288

1. Cost-of-Living Adjustment

a. AFDC-FG and U Maintenance Payments

Welfare and Institutions Code Section 11453 provides that AFDC Maximum Aid Payments (MAP) and Minimum Basic Standards of Adequate Care (MBSAC) be adjusted annually to reflect any increases or decreases in the cost-of-living. The average of the Los Angeles-Long Beach and San Francisco-Oakland Consumer Price Indices for the month of December of each year is used as the basis for determining these changes. Due to Chapter 292, Statutes of 1978 (SB 154), cost-of-living adjustments were suspended in 1978-79. Although the Budget Act of 1979 provided funding for a 14.50 percent increase in 1979-80, a 15.16 percent increase has been applied to the MAP and MBSAC effective July 1, 1979. This adjustment, which was determined by the percent increase in the above CPIs from December 1976 to December 1978, reflects both the increase that would have been effective July 1, 1978, if SB 154 had not been passed and the following single year increase effective July 1, 1979.

In 1980-81, based on the Department of Finance projection of the CPI change from December 1978 to December 1979, it is estimated that a 14.65 percent cost-of-living increase will be applied to the MAP and MBSAC effective July 1, 1980.

b. AFDC-BHI Rate Increases

Chapter 282, Statutes of 1979 (AB 8) provided for state participation in foster care rate increases up to the percentage increase given to AFDC-FG and U recipients. For 1979-80, this year-to-year change is 15.16 percent. The base rate on which the increase was applied included the rates in effect on June 1, 1978, plus state approved rate increases during 1978-79. The base rate also included the \$12.50 payment to foster parents originated by AB 3293.

In 1980-81, the maximum percentage increase for foster care rates is estimated to be 14.65 percent. This percentage increase will be applied to the state approved base rate.

2. Chapter 282, Statutes of 1979 (AB 8) Sharing Ratio Modifications

Section 78 of the bill amends the nonfederal sharing of grant payments to AFDC recipients. For expenditures in the AFDC-FG and U categories (including special needs), the state share, after deducting available federal funds, is 89.2 percent and the county share is 10.8 percent. In the AFDC-BHI Program, the state share is established at 95 percent and the county share at 5 percent. For the Aid for Adoption of Children Program the state share is 100 percent.

Section 84 amends the nonfederal sharing of eligibility and non-service staff development costs to 50 percent state, 50 percent county.

3. Minimum Wage Increases

PL 95-151, signed November 1, 1977, increased the federal minimum wage to \$2.90 per hour on January 1, 1979, with further increases to \$3.10 per hour on January 1, 1980, and to \$3.35 on January 1, 1981. Increases in the minimum wage reduce the grant cost of working AFDC recipients whose earnings are at the minimum wage level.

4. RHSDI Increases

A 9.90 percent increase in RHSDI benefits was given July 1, 1979. Based on estimated CPIs, it is expected that a further increase of 13.30 percent will be given July 1, 1980. These increases in unearned income result in lower grant payments to AFDC recipients who have such income.

5. Child Support Enforcement Program

a. Collections

Absent parent support payments are used to offset AFDC maintenance payment expenditures. For AFDC-FG and U, 47 percent of total collections is applied to the federal share of aid payments, 47 percent to the state share, and 6 percent to the county share for 1979-80 and 1980-81. For AFDC-BHI, 47 percent is applied to the federal share, 50 percent to the state, and 3 percent to the county.

b. Child Support Incentive Payments

As an incentive to counties to collect child support from absent parents, the counties will receive 30 percent of any collection received in 1979-80. The federal incentive rate is 15 percent and due to AB 8, the state rate is 15 percent. For 1980-81, the counties will receive 30 percent for the first six months and 27.75 percent for the second six months. This is due to provisions of AB 8 which reduce the state rate to 12.75 percent on January 1, 1981.

c. Child Support Administration

The administrative cost of child support enforcement under IV-D is estimated separately from AFDC administration. Title IV-D administration costs for AFDC collections is 75 percent federally funded and 25 percent county funded. For non-AFDC collections, AB 8 specifies that in the event the Federal Government does not provide 75 percent funding, the state shall pay this part. For both 1979-80 and 1980-81, no federal participation was assumed.

6. Overpayment/Underpayment Regulations (ORD 774-64)

These regulations specify that retroactive payments for underpayments are made only when the county has erred or when changes are reported too late to be included in the next month's grant. Underpayments will not be adjusted when they are the result of a recipient's failure to meet reporting responsibilities. Current regulations require retroactive payment of underpayments whenever they are discovered for up to 12 months prior to discovery. The overpayment portion of these regulatory revisions confirms and modifies language to agree with current policy. The effective date of these revisions was February 1, 1979.

7. Chapter 55, Statutes of 1978 (AB 2124) (ORD 478-22)

AB 2124 provides that a child who is in foster care and who is regularly attending school or a training program prior to his eighteenth birthday may continue to receive aid following the eighteenth birthday. This is allowed only if he continues to

reside in the foster care placement, continues to participate in the education or training program, and is making progress according to the standards set by DSS. Such aid would continue until the termination of the education or training program or until the child is 21 years of age. The regulations implementing this legislation became effective July 1, 1978.

8. CRP Conversions to AFDC

The Cuban Refugee Program (CRP), 100 percent federally funded in FFY 1977, is being phased out over six federal fiscal years (FFY 1978 - FFY 1983). If S. 643 (Kennedy) is enacted, we will assume curtailment of the phase-out for Cuban Refugees who entered the United States after September 30, 1978. The federally eligible Cuban refugees were transferred to the AFDC Program beginning October 1, 1977.

9. IRAP Conversions to AFDC

Indochinese refugees who were federally eligible for AFDC were converted to AFDC cases on October 1, 1977. Additional incoming Indochinese refugees eligible for federal AFDC will continue to be added to the AFDC caseload. For more detail on this program, refer to Page 12, Item H.

10. Federal Good Cause Requirement - Notification (ORD 378-16)

These emergency regulations specify that AFDC applicants are to be notified of their right to refuse to cooperate with the District Attorney in obtaining child support if they have good cause. These regulations were effective August 1, 1978.

11. Federal Good Cause Requirement - Criteria (ORD 1178-70)

ORD 1178-70, implemented February 1, 1979, deals with good cause for child support noncooperation. The regulations (1) establish the process for making and investigating a good cause claim, (2) enumerate the circumstances under which good cause may be considered to exist, and (3) specify the types of evidence that may be presented in support of a good cause claim.

12. SSI/SSP - AFDC-BHI Dual Eligibility Regulations (ORD 1078-60)

Emergency regulations, effective October 1, 1978, provided that grants to SSI/SSP children may be supplemented with nonfederal AFDC-BHI grants if the children are eligible for both programs.

13. Modification to the AFDC-BHI Claiming System

HEW has taken an exception to the current method by which the federal share of BHI grant payments is claimed. A direct cost method whereby grant payments to federally eligible children are separate from expenditures in nonfederal cases will be implemented. Currently, grants to federally and nonfederally eligible children

are lumped together on the aid claim and the federal share is determined via a formula using an average cost per case concept. It was expected that the Department would implement these claiming modifications on January 1, 1980.

14. State Income Tax Refund Intercept Project

The Department is expected to implement in 1979-80 an automated statewide income tax refund intercept system in conjunction with the Franchise Tax Board. This system will increase collections of court ordered child support arrearages for AFDC cases. It is assumed that the system would start by November 15, 1979, in order to process tax returns for calendar year 1979.

15. Federal Regulations on Retrospective Budgeting Systems and Monthly Notices

Federal regulations dated May 4, 1979, were issued on budgeting systems and required monthly notices. As a result of these regulations, the current state "break-in-aid" policy and the treatment of income received in the month of application will be modified. Also, reminder notices must be sent prior to the issuance of an adverse action notice. These regulations were assumed to be implemented January 1, 1980.

16. Federal Compliance Issues

The following state policies have been determined to be out of compliance with federal regulations.

a. Nonrecurring Special Needs

The state must take into consideration nonrecurring special needs when determining AFDC eligibility and amount of grant. Emergency regulations were expected to be filed effective November 1, 1979. We estimate that this premise will have a negligible cost impact.

b. Passing Grade Requirement

The state may no longer require that an 18-20 year-old student in an institution of higher education have passing grades in order to be eligible as a dependent child. Emergency regulations were assumed to be effective November 1, 1979.

c. Time to Appeal Agency Action

The state currently allows a recipient a one-year period in which to appeal an agency action. Federal regulations allow only up to 90 days for this appeal. Regulations were expected to be effective November 1, 1979. We estimate that this premise will have a negligible cost impact.

d. Aiding Needy Married Children

State policy currently restricts a married child from inclusion as a dependent child. Federal regulations do not make such restrictions. State regulations were anticipated to be effective January 1, 1980. We estimate that this premise will have a negligible cost impact.

17. Court Cases

a. Garcia v. Swoap

As a result of federal regulations, state regulations were implemented on August 1, 1979, which changed the prior-month budgeting system and supplementation policy. If a recipient's grant and net income received in a month is less than 80 percent of the Maximum Aid Payment (MAP) for that month, a supplemental payment would be issued so that the sum of the grant, net income, liquid resources and the supplement would equal 80 percent of MAP.

b. Youakim v. Miller

As a result of this U.S. Supreme Court case, the Department of Social Services will be compelled to expand the eligibility requirements of the AFDC-BHI Program. Effective January 1, 1980, children placed in the homes of nonlegally liable relatives who meet federal eligibility criteria for foster care will receive BHI payments.

c. Westcott v. Califano

On June 25, 1979, the Supreme Court ruled that benefits must be provided to families with an unemployed mother on the same terms and in the same amounts as benefits are paid under Section 407 of the Social Security Act to families with an unemployed father. By removing the gender distinctions of that section, additional families will be eligible for AFDC grants. We cannot estimate the cost impact of this premise.

d. Crosby v. Califano

Regulations are expected to be implemented retroactive to May 18, 1979, to modify the current policy on WIN sanctions for refusal to cooperate. Federal regulations had specified that if an individual who is not exempt refuses to cooperate with WIN requirements, the sanction period must be at least 90 days. As a result of this court decision, the length of the WIN sanction must be equal to the length of time of noncooperation.

c. Castro v. Ventura County

On May 25, 1979, the court rendered a decision in Castro, finding unconstitutional the agreement for entry of judgment procedures used by counties to establish child support obligations.

19. Overpayment and Underpayment of Supplemental Payment Regulations

These emergency regulations, ORD 979-68, define overpayments and underpayments for supplemental payments issued under the current 80 percent supplement system. These regulations were assumed to be effective November 1, 1979.

19. AB 381 (Boatwright) Welfare Reform Act of 1979

This bill extends the recoupment period of welfare overpayments from one year to two years. It also redefines availability of income in stepfather cases. Regulations to implement these provisions were assumed to be effective January 1, 1980. We cannot estimate the cost impact of the stepfather provisions.

20. SB 93 (Greene) California Jobs Tax Credit Act of 1979

This act establishes a program which will encourage, through the use of state tax credits, the private sector employment of economically disadvantaged Californians who are dependent upon public assistance. The intent of this act is to not only provide income to such individuals but also to save California tax dollars that would otherwise be spent on public assistance. We cannot estimate the cost impact of this premise.

21. Fair Hearing Officer Training

Staff development seminars will be provided to persons who, or will in the future, act as representatives in fair hearings conducted by Hearing Officers of SSSS.

22. Food Stamp Reform

PL 95-113 signed by President Carter on September 29, 1977, contains major revisions to the Food Stamp Program. Implementation of these revisions is occurring in three phases: (1) elimination of the purchase requirement and revision of income and eligibility provisions; (2) change in administrative procedures, i.e., staffing standards, points and hours of issuance and certification, outreach, performance reporting system; and (3) changes in local administrative financial requirements, i.e., quality control and fiscal requirements.

The elimination of the purchase requirement was implemented on January 1, 1979, and the remainder of Phase 1 was implemented by April 1, 1979. Phase 2 regulations have been proposed and are

expected to take effect by January 1, 1980. The impact of Phases 1 and 2 are included in this estimate. The implementation date and regulations for Phase 3 have not been received from FNS; therefore costs of this phase are not included in this subvention estimate.

D. SSI/SSP Maintenance Payments - Item 284

1. Chapter 259, Statutes of 1979 (Budget Act)

The Budget Act provides funding for increases in SSI/SSP payment standards based on a 14.50 percent CPI change.

2. SSP Payment Standards

1979-80

The Budget Act of 1979 provides funding for a 14.50 increase in the SSI/SSP payment standards. However, in conformance with Welfare and Institutions Code Section 12202, as amended by Chapter 348, Statutes of 1976 (AB 2601), and Section 12205, added to the Code by that bill, the increase in payment standards was based on the 15.16 percent CPI change.

1980-81

For the purposes of the estimates, the current law methodology provided in the W&I Code sections mentioned above was used to calculate SSP payment standards, based on an estimated CPI change of 14.65 percent. The estimated increase for 1980-81 is illustrated below, using Aged/Disabled Independent as an example:

	<u>1979-80</u>	<u>1980-81</u>	<u>% Change</u>
SSI	\$208.20	\$235.90	13.30
SSP	147.80	180.10	21.85
Total Grant	356.00	416.00	16.85
CPI (LA-SF Avg.)	Dec. '78: 198.7	Dec. '79: 227.80	14.65

3. HR 13814 (Corman) - SSI/SSP Cash Out

From September 1, 1978, through January 31, 1979, the state administered food stamps to eligible SSI/SSP recipients because of the elimination of the cost-of-living increases for SSI/SSP recipients during 1978-79. Public Law 95-485 was signed to amend Section 8(d) of Public Law 93-233 to provide cash payments in lieu of food stamps to certain SSI/SSP recipients. This amendment was effective from February 1, 1979, through September 30, 1979.

The SSI expenditures for July, August and September 1979, included the cash payments in lieu of food stamps noted above. Since we assume the state was cashed-out effective October 1, 1979, as a result of the 15.16 percent cost-of-living increase effective July 1, 1979, we also assume that the additional payment in the first quarter of 1979-80 will not be considered an overpayment which would subsequently be recovered from recipients.

4. Increases in SSI Payments and Unearned Income

Under a provision of PL 93-368, the SSI benefit payments receive a cost-of-living adjustment based on the same cost-of-living percentage applicable to RHSDI benefits.

The effect of increases in unearned income such as RHSDI, Railroad Retirement and Veteran's Benefits was considered in making estimates of grants. For the purpose of the estimates, we assume that all sources of unearned income will increase by the same percentage that RHSDI benefits increase.

1979-80

Effective June 1979, benefits increased by an automatic cost-of-living adjustment of 9.90 percent. This increase was based on the percentage change of the U.S. Consumer Price Index from the January-March 1978 quarter (188.4) to the January-March 1979 quarter (207.0).

1980-81

Effective June 1980, benefits are estimated to increase by 13.30 percent. This is based on the change between the U.S. Consumer Price Index for the January-March 1979 quarter (207.0) and the estimated U.S. Consumer Price Index for the January-March 1980 quarter (234.60). The estimated CPI is provided by the Department of Finance.

5. County Contribution

Chapter 1216, Statutes of 1973, as amended by SB 2081 (Chapter 426, Statutes of 1976) fixes the counties' contribution at \$118,000,000 for the 1974-75 base fiscal year and provides that the amount payable in each subsequent year shall be determined by a formula that involves each county's modified assessed value. The county contribution for 1978-79 was \$181,807,475, according to the State Controller's Office.

In 1979-80 and 1980-81, there will be no county contribution as a result of the permanent buy-out provisions in AB 8.

6. Indochinese Refugee Assistance Program

Under PL 95-549, SSP payments for Indochinese refugees were 100 percent federally reimbursed until September 30, 1979.

Although no permanent legislation has yet been enacted, continuing legislation extends the current program through September 30, 1981.

7. AB 1940 - Paramedical Services

This legislation returns paramedical services to IHSS. The IHSS regulations effective April 1, 1979, originally eliminated these services and transferred them to Title XIX (Medi-Cal), making certain SSI/SSP recipients ineligible for SSI/SSP benefits.

E. Adult Aid Special Programs and County Administrative Expenses - Items 285 and 288

1. APL/MIL Resurvey Project

The retrieval of these case folders is a negotiated re-review of those cases that were in dispute in the previous survey. Although this is a state/federal negotiated survey, it is assumed that it will be 100 percent federally funded.

2. AFDC-BHI Burial Expenses

The cost of reimbursing foster parents for funeral expenses for BHI children is included in Item 285.

3. AB 8

AB 8 revises the sharing ratios for APSB administrative costs from 50 percent state, 50 percent county sharing in 1978-79, to 83.3 percent state, 16.7 percent county for 1979-80, and 1980-81.

4. Indochinese Refugees - Residuals

Continuing legislation extends the current program through September 30, 1981. For this premise, we have estimated the IRAP residual costs only.

5. Cuban Refugees - General Relief

Some Cuban refugees who do not qualify for AFDC or SSI/SSP receive grants under local General Relief programs. Federal funds for Cuban GR are channeled through the Department.

F. Harrington v. Obledo - Item 286

This program concerns former SSI/SSP recipients who were converted from the former state categorical aid programs for the aged, blind and disabled and who were subsequently terminated from aid for failure to meet the federal definitions of disability or alien eligibility. Under this program the state will determine eligibility of applicants for cash assistance and IHSS, using the state definitions of disability and alien eligibility in effect December 1973, and pay benefits retroactively from the date they were terminated from aid.

G. Food Stamp Administration - Part of Item 288

1. Food Stamp Reform

PL 95-113, signed by President Carter on September 29, 1977, contains major revisions to the Food Stamp Program. It is expected that implementation of these revisions in California will occur in three phases: (1) elimination of the purchase requirement and revision of income and eligibility provisions; (2) changes

in administrative procedures, i.e., staffing standards, points and hours of issuance and certification, outreach, and performance reporting; and (3) changes in local administrative financial requirements, i.e., quality control and fiscal requirements.

a. Phase 1

The elimination of the purchase requirement was implemented on January 1, 1979, and the remainder of Phase 1 was implemented by April 1, 1979. The impact of Phase 1 has been included in this subvention estimate.

b. Phase 2

Phase 2 regulations have been proposed and most are expected to take effect January 1, 1980. The most significant impact will result from the points and hours of certification and issuance regulations effective January 11, 1980, which have two major components:

- (1) The points and hours sections require services to be provided within a 30-mile radius of most households and at specific hours depending on the number of households. The impact of these provisions has been included in this subvention estimate.
- (2) The regulations further require each county to develop a service plan involving needs assessment and public comments. Although costs may be significant, we cannot estimate the cost impact of this premise.

c. Phase 3

The implementation date and proposed regulations for Phase 3 have not been received from FNS; therefore, costs of this phase are not included in this subvention estimate.

d. HR 4057

In addition, HR 4057 which amends the Food Stamp Act of 1977, has been signed into law and will be in effect by January 1, 1980. HR 4057 lifts the spending cap on food stamps for future years; entitles household members aged 60 or over to medical expenses in excess of \$35 per month, a separate child care deduction and an uncapped excess shelter deduction; and amends fraud regulations to further fraud prevention.

2. New Indochinese Refugees

For FFY 1979, an additional 96,000 refugees are authorized to be admitted to the U.S. It is anticipated that additional groups of 168,000 will be authorized for FFY 1980 and FFY 1981. We have estimated the percentage of refugees in California and the percentage of those here on aid. An increase in the food stamp caseload due to IRAPs is included in this subvention estimate.

3. AB 8

Nonassistance Food Stamp (NAFS) county administrative expenditures for 1978-79 were 50 percent federal funds, a fixed amount of \$21,467,300 in county funds, with the state paying the balance of the nonfederal share. AB 8 revises these ratios to 50 percent federal, 25 percent state and 25 percent county. The increased general fund costs were not included in the \$519 million appropriated under Section 100 of AB 8; however continuous funding for NAFS county administrative costs is provided in Section 92 of the bill.

H. Indochinese Refugee Assistance Program

1. P.L. 96-110 (Cranston Amendment)

Federal legislation (PL 95-549) which extended 100 percent federal funding for the Indochinese Refugee Assistance Program terminated September 30, 1979. Although no new permanent legislation has yet been enacted, the Cranston Amendment extends the current program through September 30, 1981.

2. Caseload Growth

The Indochinese Refugee Assistance Program caseload continues to increase as additional refugees are admitted into the United States. There were 96,000 refugees authorized for FFY 1979 and 168,000 for FFY 1980 and FFY 1981. We have estimated the percentage of refugees in California and the percentage of those here on aid.

I. Cuban Refugee Program

1. Phase-Out

The Cuban Refugee Program is being phased out over six federal fiscal years (FFY 1978 - FFY 1983). Federally eligible Cuban refugees were transferred to the AFDC Program beginning October 1, 1977. Beginning in October 1978, federally ineligible refugees were transferred, if qualified, to nonfederal AFDC and General Relief. Full federal funding of the nonfederal share of aid to Cuban refugees was available through June 1978. The nonfederal share of program and administrative costs was reimbursed on the basis of 85 percent for July-September 1978 and FFY 1979. Since the state has the option to be reimbursed by applying the phase-out percentage to either yearly actuals or to base year (1977) adjusted expenditures as given by DHEW, the nonfederal share of program and administrative costs will be reimbursed according to the adjusted base year formula at 75 percent for FFY 1980 and 60 percent for FFY 1981. For FFY 1980 and 1981, federal reimbursement will equal 100 percent of the estimated costs.

If S. 643 (Kennedy) is enacted, we will assume curtailment of the phase-out for Cuban Refugees who entered the United States after September 30, 1978.

2. Caseload Growth

An additional 12,000 Cuban refugees will be admitted to the United States during FFYs 1980 and 1981. We have estimated the percentages of these new refugees who will come to California and the percentage of those on aid.

J. Social Services - Item 287

1. Facilities Evaluation (CCL)

a. Basic Contract Cost

The basic costs for 1979-80 were estimated on the basis of current methodology except for the floor amount described in the item covering Small County Contracts. For 1980-81, the current workload standards were applied to the projected workload to determine the basic amount.

b. Cost-of-Living

For 1979-80: The cost-of-living increase given by the counties was estimated to be 7.40 percent. The impact of merit salary adjustments and employee benefits is also included in addition to the 7.40 percent.

For 1980-81: The cost-of-living adjustment is assumed to be 9.00 percent. This is intended to cover increases to salaries, nonpersonal services, and employee benefits.

c. Small Counties' Contracts Amount

The Community Care Licensing Division approved a \$10,000 floor limit for contracts with smaller counties' licensing agencies for 1979-80 and subsequent fiscal year.

d. Civil Penalties Regulations - ORD 478-26 (R-1)

These regulations implement the provisions included in the California Community Care Facilities Act of 1973. Effective January 19, 1979, community care facilities have been subject to civil penalties when they are found out of compliance with licensing requirements by the licensing evaluators during their annual evaluation visit or as a result of a complaint. Foster homes and day care facilities are excluded by these regulations.

e. Mandated Facilities Information System

The Community Care Facilities Act of 1973 required the state to implement a system for providing an exchange of information on licensed facilities with those counties which perform licensing functions. A Facilities Information System (FIS) is currently in operation. However, many counties are not yet providing information through the system. Full implementation is expected to be completed by 1980-81.

f. Chapter 891, Statutes of 1978 (SB 2093)

SB 2093 requires specific regulations to prevent overconcentration of residential facilities. This bill requires county licensing agencies to notify in writing the appropriate city or county planning authority, at least 45 days prior to approval of a proposed location of a residential facility. The bill excludes residential facilities serving six or fewer persons from this zoning clearance.

g. Chapter 889, Statutes of 1978 (SB 1012)

SB 1012 requires specific regulations to prevent overconcentration of residential facilities that serve wards of the juvenile courts in the counties of Los Angeles, Santa Clara and Riverside. The bill authorizes the county licensing agencies to require the local planning authority to make a finding as to whether a proposed facility violates zoning restrictions. It also authorizes local planning authorities to require existing community care facilities for such wards to obtain an approval within one year of the effective date of the act.

h. Chapter 554, Statutes of 1979 (AB 1273)

Present law requires the Department to annually prepare, with quarterly updates, a list of all licensed community care facilities in the state, except for family foster homes.

The list is required to contain specified information concerning such facilities. AB 1273 would exclude family day care facilities from the type of facilities required to be included in such lists. We have determined that there is no cost impact resulting from this premise.

i. Chapter 1063, Statutes of 1979 (AB 1368)

This legislation appropriates \$112,000 for the purpose of processing the increased number of applications for licenses resulting from the adoption of a 30-day limit for processing of an application. There is no provision for funding for 1980-81. This bill also provides for the selection of three counties to conduct a pilot registration program effective July 1, 1980. The bill decreased licensing funds by the amount of \$8,500 for the pilot counties. These funds were transferred to Item 282.

j. Chapter 851, Statutes of 1979 (AB 1433)

This bill makes it a violation of state law to deny certain persons access to community care facilities. Additional staff resources are anticipated to process the resulting increase in complaint reports that will be submitted. Implementation is expected July 1, 1980.

k. Application for a Homefinding and Adoption Agency (ORD 579-24)

This regulation change decentralizes the application process for a license requested by a homefinding or adoption agency at the licensing agency which serves the area where the agency is located. Current law allows for an application to be submitted in various other locations such as the district offices, the Department headquarters, or the licensing agency. These regulations are assumed to be implemented January 1, 1980. We have determined that there is no cost impact resulting from this premise.

l. Provisional Licenses for Residential Facilities - ORD 679-32 (R-2)

This regulation change establishes that a provisional license may be issued if a residential facility is in substantial compliance with applicable law and regulations. It also requires that an application shall be approved or denied prior to the expiration date of the provisional license. These regulations are assumed to be implemented January 1, 1980. We estimate that this premise will have a negligible cost impact.

m. Operating a Facility Without a License - ORD 679-33 (R-1)

This regulation change sets specific criteria under which a facility may operate without a license and the procedures to follow when a facility is found to be in violation of Section 1508 of the Health and Safety Code. These regulations are assumed to be implemented January 1, 1980. We cannot estimate the cost impact of this premise.

n. Program Flexibility for Community Care Facilities (ORD 679-34)

This regulation change clarifies the Department's guidelines for granting waivers/exceptions to regulations governing community care facilities. In addition, it regulates renewals and requires the terms and duration of these waivers/exceptions. These regulations are assumed to be implemented January 1, 1980. We estimate that this premise will have a negligible cost impact.

o. Window Space and Fencing Requirements (ORD 679-35)

This proposed regulation change amends window requirements for nurseries, fencing of swimming pools requirements, and protection against hazards within a facility. These regulations are assumed to be implemented January 1, 1980. We have determined that there is no cost impact resulting from this premise.

p. Hot Water for Community Care Facilities - ORD 679-36 (R-1)

This regulation change eliminates the requirement of hot water for day care facilities for children (day nurseries, preschools, day care centers for children) and sets maximum temperatures for those facilities which currently do have hot water. These regulations are assumed to be implemented January 1, 1980. We have determined that there is no cost impact resulting from this premise.

q. Facility Care and Supervision (ORD 679-37)

This regulation change revises the definition of "community care facility" to clarify the terms "care" and "supervision" by referencing them to specific related information contained in other sections of the law. These regulations are assumed to be implemented January 1, 1980. We cannot estimate the cost impact of this premise.

r. Basic and Optional Services in a Community Care Facility (ORD 679-38)

This regulation change requires a specific itemization of services that shall be provided by a licensed residential facility for adults and for children, except for foster homes. The revision also includes language to define all those optional services that could be provided by a community care facility. These regulations are assumed to be implemented July 1, 1980.

s. Community Care Licensing, General Provisions (ORD 679-39 R-2)

This regulation change implements Assembly Bill 3166, Chapter 951, Statutes of 1978. This package adopts regulation requirements for approving applications for renewal of licenses or special permits for residential facilities (except for foster homes) when satisfactory evidence is presented of substantial compliance with pertinent statutory provisions. It also regulates suspension of licenses and repeals provisions of law related to suspension and revocation of licenses. These regulations are assumed to be implemented July 1, 1980.

t. Family Day Care Homes for Children (ORD 679-40 R-2)

This regulation change adds new requirements for a criminal record clearance form and fingerprint card to be completed for each person who resides at the home where care is being given and would be in contact with the children in care. These regulations also establish specific conditions under which a provisional license may be issued. These regulations are assumed to be implemented July 1, 1980.

u. Foster Family Home Licensing Requirements (ORD 679-41 R-2)

This regulation change implements Assembly Bill 3166, Chapter 951, Statutes of 1978. This package adopts regulation requirements for approving applications for renewal of licenses or special permits for foster family homes when satisfactory evidence is presented of substantial compliance with pertinent statutory provisions. It also adds requirements and repeals provisions related to the Department's involvement in the suspension of licenses. These regulations are assumed to be implemented July 1, 1980.

v. Repeal Regulations Governing Small Family Homes - ORD 679-46

Under current regulations, foster family homes have been licensed pursuant to regulations (Chapter 1, Article 1, commencing with Section 81001 of Division 6 of Title 22 of the California Administrative Code) governing small family homes-children. On April 26, 1979, specific foster family home regulations were adopted by the Department and filed with the Secretary of State. The proposed change would repeal small family home-children regulations effective November 1, 1979. We have determined that there is no cost impact resulting from this premise.

w. Fire Clearance for Foster Homes - (ORD 679-47)

This regulation change would require foster family homes approved to provide care to children with mental disorders, developmental disabilities or physical handicaps, or to children with professionally diagnosed emotional and/or behavioral problems to secure and maintain an appropriate fire clearance from the State Fire Marshal. We have determined that there is no cost impact resulting from this premise.

x. Clearance Requirements for Community Care Licensing (ORD 679-48)

This regulation change amends provisions for fire clearance requirements in community care facilities according to the type of clientele or residents served in the facility. These regulations are assumed to be implemented January 1, 1980. We estimate that this premise will have a negligible cost impact.

y. Community Care Facility Eviction of Residents (ORD 679-49)

This regulation change amends and reorganizes current requirements regarding admission agreements and specifies circumstances in which an eviction may take place. These regulations are assumed to be implemented January 1, 1980. We estimate that this premise will have a negligible cost impact.

2. In-Home Supportive Services (IHSS)

a. Statutory Cost-of-Living

Per W&I Code Sections 12303.5 and 12304, adjustments to the maximum aid payments for severely impaired and nonseverely impaired IHSS recipients are made July first of each year. Effective July 1, 1979, recipients were given a 6.91 percent increase and effective July 1, 1980, it is assumed a 14.65 percent increase will be given. This cost-of-living increase directly impacts only those clients who are currently at the maximum and who have unmet needs.

b. Provider Cost-of-Living

This is an adjustment for the inflationary change in basic operating expenses of provider services offered by County Welfare Staff and contracted provider agencies. It represents a differential in the hourly rates actually paid and the statutory minimum wage level. This increase is the result of merit salary adjustments and employee benefits that are given to an IHSS provider. This item is not related to the Statutory Maximum for recipient grants.

c. Minimum Wage Increases

Public Law 95-151, signed November 1, 1977, increased the federal minimum wage to \$2.90 per hour on January 1, 1979, \$3.10 per hour on January 1, 1980, and \$3.35 per hour on January 1, 1981.

d. Provider Benefits, Chapter 463, Statutes of 1978 (AB 3028)

This bill includes, within the coverage of the workers' compensation law, individual providers who perform domestic services comprising in-home supportive services; that is, those providers serving recipients where the state or county makes direct payment to the recipient or to a provider chosen by the recipient. Approximately \$13 million has been appropriated from the General Fund for 1978-79; funds not expended will be carried over to 1979-80. A contract was awarded to carry out these duties with an implementation date of January 1, 1980. Additionally, regulations will be issued that may result in administrative cost to the counties due to the implementation of this bill. However, at this time we cannot estimate the county administrative cost of this premise.

e. Gainful Activity, Chapter 1362, Statutes of 1978 (AB 2890)

This legislation deletes the minimum requirement that an individual must need 20 hours per week of in-home supportive care to be eligible for In-Home Supportive Services under the provisions of AB 922. The legislation and regulations became effective January 1, 1979.

f. Paramedical Services (AB 1940)

This legislation would return Paramedical Services to IHSS. The IHSS regulations, effective April 1, 1979, had originally eliminated these services and transferred them to Title XIX (Medi-Cal). The full year costs for paramedical services are included due to the fact that the regulations were never fully implemented. This legislation appropriates \$2,699,000 to implement this act less \$409,000 for SSP fund recovery.

g. Parent Providers (AB 1134)

This legislation would make it possible for parents to receive remuneration for IHSS services for their children who are eligible for IHSS. In order for parents to be reimbursed, they must leave full-time employment or be prevented from obtaining full-time employment because another suitable provider is unavailable to provide services to their children. This legislation is proposed in response to the Arms of God v. Brown court case concerning parent providers. There is a temporary restraining order which will continue the purchase of services from the parents. Due to the legislation and the restraining order, full year costs will be provided. This legislation appropriates \$216,000 to SDSS to carry out the purposes of this act.

h. Comprehensive IHSS Regulations (ORD 1078-35)

These regulations supersede the emergency IHSS administrative regulation package (ORD 678-35), and are a comprehensive redefinition of the IHSS Program. These regulations incorporate new and revised administrative procedures and program definitions. They were filed on March 1, 1979, and became effective April 1, 1979.

3. Other County Social Services (OCSS)

a. Cost-of-Living

For 1979-80: The cost-of-living adjustment is 6.00 percent, applied to federal Title XX funds and matched by the appropriate county share.

For 1980-81: The cost-of-living adjustment is assumed to be 9.00 percent. This is intended to cover increases to salaries, nonpersonal services, and employee benefits.

b. Funding Limitation

There is a federal funding limitation in 1979-80 and 1980-81 that impacts Title XX social services programs. This funding limitation is reflected in the estimates of total expenditures.

c. 24-Hour Response System

The 1979-80 estimated expenditures for Other County Social Services include an augmentation of \$5,000,000 in General Fund monies with \$1,666,667 in county match for the 24-hour response system.

d. IRAP OCSS

Other County Social Services (OCSS) consists of all regular Title XX social services excluding IHSS.

4. Child Welfare Services

SDSS receives federal Title IV-B funds which are allocated to counties for child welfare services. This item is exclusive of Child Protective Services provided under Title XX funds.

5. Work Incentive Program

Under AB 8 provisions, the county share of WIN Child Care has been bought out by the state. Funding is 90 percent federal, 10 percent state.

6. WIN Child Care

The WIN Child Care estimate includes funds to provide child care for the Long Beach Employment Opportunities Pilot Program (EOPP).

EOPP is a demonstration project of National Welfare Reform, for the Work and Training Opportunities Act of 1979. A total of \$588,900 will be used in 1979-80 for this project and \$2,077,800 in 1980-81.

7. Adoptions

a. Cost-of-Living

For 1979-80: The cost-of-living increase given by the counties was estimated to be 7.40 percent. The impact of merit salary adjustments and employee benefits is also included in addition to the 7.40 percent.

For 1980-81: The cost-of-living adjustment is assumed to be 9.00 percent. This is intended to cover increases to salaries, nonpersonal services, and employee benefits.

b. Hard-to-Place Children (Chapter 489, Statute of 1979, AB 296)

This bill increases the maximum allowable reimbursement rate (from \$1,000 to \$1,500 under Section 16150 and from \$1,500 to \$2,000 under Section 16120.1) to private adoption agencies for hard-to-place children. The increase in rates for these placements is effective January 1980.

8. State Administered Services

a. Office of Family Planning

This is a contract with the Department of Health Services to provide family planning services to eligible Title XX recipients. The contract amount is \$4,444,444 for 1979-80 and 1980-81 at 90 percent federal, 10 percent state funding.

b. Child Development Services

SDSS is required under SB 99 to contract with the State Department of Education (SDOE) for child development services. Child day care services are delivered by public and private providers who have subcontracted with SDOE. The contract amount is \$62,736,256 for 1979-80, which includes \$20,051,000 of federal monies appropriated by HR 13511. It is assumed that the \$20,051,000 does not require matching funds. The contract amount for 1980-81 is proposed to be \$62,685,256.

c. IRAP ESL Contracts

These 100 percent federally funded contracts with private and public agencies are to provide instruction in English and other employment-related services to enable Indochinese recipients to find employment.

d. IRAP Services Contracts

These 100 percent federally funded contracts with private and public agencies are to provide Title XX social services for Indochinese recipients. These contracts include the Department of Education contract to provide child care services.

e. Maternity Care (W&I Code, Section 16151)

The Welfare and Institutions Code provides for a continuing General Fund appropriation of \$2.4 million for each fiscal year for maternity home care for unwed pregnant minors.

f. Demonstration Programs

(1) Family Protection Act of 1976 (SB 30)

This four-year demonstration project in San Mateo and Shasta counties provides additional social services for the purpose of reducing out-of-home placements, providing more permanent and stable placements, and reducing the cost of child protective services. This project is budgeted at \$1,999,500 for 1979-80, with \$2,000,000 assumed for 1980-81. Funding will be shared 95 percent state, five percent county under AB 8 buy-out provisions, instead of the previous 66-2/3 percent state, 33-1/3 percent county sharing, as set forth in SB 30.

(2) Pruger Project

The Pruger Project is a 100 percent state-funded project for the purpose of standardizing intake procedures in the IHSS Program. The amount appropriated for 1979-80 is \$108,500 of the \$200,000 previously appropriated for Unspecified Projects. The funding level for 1980-81 is assumed to be \$118,265, which includes a cost-of-living adjustment.

(3) Prevention of Early Teenage Pregnancy

The purpose of this project is to determine if peer counseling of male teenagers will prevent future, unwanted teenage pregnancies. For 1979-80, it is state-funded for \$51,965 of the \$200,000 previously appropriated for Unspecified Projects. There is no provision for funding in 1980-81.

(4) Domestic Violence Centers (SB 91)

These are projects to provide protective shelter and support services to victims of domestic violence and their children. The projects are 100 percent state-funded with \$125,000 appropriated for 1979-80. Funding for 1980-81 and subsequent years is subject to legislative action, which is currently pending.

(5) Multi-Purpose Senior Centers (AB 998)

This is an Agency staffed project. Although an amount of \$1,500,000 was funded for 1979-80, at 100 percent state funding, this amount minus \$6,360 was shifted to 1980-81.

(6) Prevention of Separation of Families at Risk

This project is one of seven awarded nationally to develop services to "families at risk" with the primary goal of substantially reducing the placement of children away from their parents. Federal funding ends September 30, 1980. The estimated encumbrances for 1979-80 are \$213,150, including a basic federal grant of \$150,000 and a supplement of \$63,150.

(7) Office of Child Abuse Prevention (Chapter 1334, Statutes of 1978 - AB 2968)

Beginning December 31, 1979, AB 2968 provides for the establishment of three pilot projects, to be funded through the federal Child Abuse and Neglect Prevention Program. The federal funding available for 1979-80 consists of a basic grant of \$341,574, a supplemental of

\$89,779 and an estimated carry-over of \$142,600 for a total of \$573,953. The amount of \$269,093 is estimated as available for demonstration programs, with \$304,860 remaining for support costs. The same level of funding is assumed for 1980-81.

(8) Chapter 367, Statutes of 1979 (AB 265)

This legislation appropriates \$80,000 to SDSS for the child abuse pilot projects for 1979-80. It also requires matching county funds of \$20,000.

(9) Chapter 901, Statutes of 1979 (AB 971)

This legislation appropriates \$1,373,426 in 1979-80 to SDSS for the continuation of demonstration projects providing comprehensive social services to the deaf. No funding is assumed for 1980-81.

9. Staff Development (Social Services)

The estimated cost of Staff Development includes (1) the cost of state-administered contracts with various educational institutions for the training of county social services staff, and (2) the cost of training programs administered by individual counties. Administrative support costs in the Budget Act for this item have been transferred to Item 282.

K. Grants and Administration - Local Mandated Costs

Funding of any increased level of existing services mandated on local entities by legislation or executive regulation will be reflected in these items.

1. Executive Mandated Costs - Item 289

- a. Employment-related equipment
- b. Treatment of loans (ORD 1277-73)
- c. IHSS Regulations (ORD 1078-35)
- d. IHSS Provider Benefits (AB 3028)

2. Legislative Mandated Costs - Item 290

Chapter 348, Statutes of 1976 (AB 2601)

The county share of the increased payment standard mandated by AB 2601 will be funded by the state and is included under this budget item; counties, however, will be liable for their share of the cost-of-living adjustments computed on the increase.